



CITY COUNCIL

Finance, Audit & Budget Committee

Meeting Report Monday, March 19, 2012

Committee Members Attending: D. Reed, Chair; R. Corcoran, Vice Chair; D. Sterner

Others Attending: D. Cituk, C. Zale, L. Kelleher, H. Tangredi, C. Weidel, C. Younger

Legislative Review

- RAWA Lease Agreements (Ordinance)

Ms. Kelleher and Mr. Younger stated that these agreements convey a portion of the Ontelaunee watershed, the store yard property and agree to the vacation Moss Street, behind William's Family Restaurant and increase the Water Authority's contribution, which will be covered by a 10.5% increase on the water rate only. Mr. Younger stated that the hardship panel has been taken out of the agreement but the Water Authority asks for continued discussion on this issue.

Mr. Cituk explained the payment from RAWA.

- Transfer of Funds to the Citizen's Service Center (Ordinance)

Ms. Weidel stated that this amendment will allow funding in the CSC for a mailroom clerk, which will be a Municipal Aide II. She stated that this will be a bid position.

Mr. Zale stated that the mailroom clerk was added in the last amendment to the position ordinance.

Ms. Reed inquired about the impact resulting from the elimination of the mailroom clerk during the first quarter of 2012. Ms. Kelleher expressed the belief that the lack of a mailroom clerk is very inefficient. She also noted that it is also difficult for offices that do large mailings to operate and learn how to operate the folding and stuffing machines. She noted that the Council office's difficulty in getting the mailings out for the LRA meeting and Conditional Use Hearing.

Ms. Weidel stated that the Payroll clerks can assist. Ms. Kelleher noted that they can assist during limited periods of time due to the need for them to get payroll completed on a bi-monthly basis.

- CDBG Amendment for Lance Place Playground (Resolution)

Mr. Jones stated that the need for this playground rehabilitation was identified by the Outlet Neighborhood Group who applied for a \$4,500 grant. They applied for the grant to replace a portion of the safety surface. Mr. Jones stated that the grant will only cover a small portion of the safety surface. When Public Works staff visited the Lance Place Playground site they found the condition of the playground to be in a state of severe disrepair so this amendment will provide \$91K in CDBG funds for the refurbishment of the playground. A total of \$95,500 (\$91K in CDBG funds and \$4.5K from the Outlet Neighborhood Group grant) will allow for the complete replacement of the safety surface and additional lighting. He stated that the type of safety surface that will be used will reduce vandalism.

Mr. Sterner noted a recent request from the 400 block of Linden Street for street sweeping. Mr. Jones stated that he will check the schedule and reply.

- Redevelopment Authority Debt for Alvernia University (Resolution)

Mr. Cituk stated that this is a housekeeping move as the Redevelopment Authority debt must be approved by the City. He stated that the City is in no way obligated to repay this debt. The debt will be repaid by Alvernia University. He stated that this loan will provide new student housing, roadways, paths, parking lots, facilities, an 85K square foot field house and other various capital improvements.

Budget Review

- Review Expenditures/Revenues

Mr. Zale distributed a hand out showing transfers that occurred during February 2012 for indirect costs from CD, Sewer, Recycling and Water Meter Surcharges, RAWA, Act 47 and transfers from Sewer, Recycling and Water. The income statement shows two (2) months of financial activity and cash flow projections. He stated that revenue collection is \$4M year-to-date, which is 6% of the revenue projected. He stated that a \$2.8M deficit is shown due to the timing of property tax collection.

Regarding the \$13M realized by settling the Due Tos/Due Froms, Mr. Zale reported that the Administration recommends making a \$5M payment on the unfunded debt loan.

- HR Consultant Contract

Ms. Kelleher distributed copies of the contract.

Ms. Reed stated that the Administration has issued a \$48K contract for HR services to Carel

Snyder and currently has a \$23K contract to Sandy Hummel for HR consulting services. Mr. Cituk stated that he has seen neither contract and added that financials for either contract have been entered into the system.

Ms. Reed and Mr. Acosta questioned if a contract was issued for an ICC Coordinator and to Mike Fleck's political consulting firm. Mr. Cituk stated that he hasn't seen either of these contracts yet and no bills have been paid to any of the parties being discussed.

Mr. Corcoran inquired about how Mr. Cituk will handle the issue if a payment request comes across his desks. Mr. Cituk stated that when these occur they are reviewed and discussed with the Administration and the Solicitor. He expressed the belief that the new personnel in the Mayor's office are unaware of the City's protocol.

Mr. Corcoran suggested that Mr. Zale and Mr. Cituk educate new staff in the Mayor's office about the City's protocol.

The Public Work and Public Safety Committee joined the meeting at this time.

- Positions in the Police, Fire and Public Works

Chief Heim stated that he completed a study in 2009 showing that the City of Reading should have 184 Police Officers. He stated that in 2009 the number of Officers has decreased to 174 Officers. He stated that in 2012 PFM required a 164 head count; however City Council, in the budget discussions, authorized 168 Officers. He stated that the hardest units hit were Criminal Investigation and Vice. He stated that both those areas each had twelve (12) employees. Currently there are seven (7) Criminal Investigators and five (5) Vice Investigators. He stated that this is the area of greatest need. He noted that Criminal Investigation is ranked third in the City's Core Service rankings. He stated that the cost would be \$130K per Officer for salary and benefits.

Ms. Reed inquired about the funding available to meet this need. Mr. Cituk and Mr. Zale stated that \$600K is available in the Contingency fund. Mr. Cituk suggested discussing this issue further with the Administration and PFM.

Ms. Goodman-Hinnershitz asked the Chief about the current number of active Officers. Chief Heim stated that the City currently has 166 Police Officers. He stated that he expects a few additional retirements over the next few weeks.

Chief Heim noted that in discussion with PFM they agreed that they did not do a study showing how many Officers the City needs but based their decision only on affordability.

Ms. Reed asked the Chief to provide his request in writing.

Next, Acting Chief Squibb distributed his recommendation requesting three (3) Lieutenant Positions under the Fire Marshall's command, which will allow the replacement of three (3) Firefighter Trainees within the Platoons.

Fire Marshall Iaeger noted that PFM compared Reading to two (2) affluent suburban communities. He noted the disparity in the number of fire events in these two affluent suburban communities and the City of Reading. He stated that the positions will combine an inspector with an investigator which will bring great support to the Fire suppression effort which came in 5th place on the Core Services ranking. He described how the inspection of sprinkler systems works to suppress fire events. He also noted that the salaries are covered by the inspection fees.

Ms. Reed inquired about the Fire Department's manning levels. Acting Chief Squibb stated that currently the department has 124 Firefighters and uses an 18 minimum manning per platoon, which is a reduction from the previously used 22 minimum manning level per platoon. He stated that the optimal manning level would be fifty (50) Firefighters per platoon and noted that more Firefighters respond to a house fire in Philadelphia than there is on one shift in the City of Reading.

Fire Marshall Iaeger described some various Fire scenarios. Acting Chief Squibb stated that the written test for the Fire Civil Service process will be given the first Saturday in April, which will bring on twelve (12) Firefighters and cut down on Fire overtime. He expressed the belief that the addition of these new Firefighters will generate considerable savings due to the decrease to the starting salary for Firefighters.

Ms. Kelleher requested information about the Safer Grant. Acting Chief Squibb stated that this is a national, one (1) year grant program that will allow the hiring of eight (8) Firefighters to replace DROP retirees. He stated that under the Safer Grant the City can apply for a two (2) year extension. He stated that they should have a response to the grant application by the end of May but noted that the City's application was not rejected.

Public Works Director Charlie Jones stated that over the last ten (10) years manning in the Public Works Department dropped to 49 employees from 94 employees. He expressed the belief that Public Works staffing has gone beyond doing more with less and has hit the doing less with less level.

Mr. Jones stated that he is seeking the addition of two (2) Maintenance Worker II position and one (1) Maintenance Worker III position. Mr. Jones stated that the Maintenance Worker II employees will be assigned to Parks. The cost is \$47K each (salary and benefits). These employees would provide outdoor maintenance during the warm weather months and supplement snow removal efforts during the winter months. He stated that Maintenance

Worker II employees do not have to be CDL eligible as the equipment they use is non-CDL equipment. He stated that the Maintenance Worker III would assist the City's tradesman as a floater. He stated that most jobs performed by the tradesman require two (2) men. He stated that currently for an electrical project, the electrician will need assistance from the plumber, the carpenter, or the mason, which is inefficient and costly. The additional Maintenance Worker II employees can provide the necessary coverage.

Mr. Jones described his efforts to develop public/private partnerships to handle maintenance issues such as the islands in the 18th Ward. He also noted that the footers were installed for the replacement of the 2nd and Penn signage.

- **Management Salaries**

Mr. Cituk distributed a list showing Management salaries over the last three (3) years, all employees who paid the parking fee and employees who have been issued a dashboard parking permit for City-wide parking.

Ms. Kelleher inquired if the money collected from employees for parking is transferred to the Parking Authority. Mr. Cituk stated that the City pays \$2,200 to the Parking Authority annually for employee parking.

Bank Statements

Mr. Zale stated that the bank statements are reconciled monthly and reviewed with the Auditor.

Ms. Reed suggested that Mr. Cituk and Mr. Zale provide a summary of reconciliations on a monthly basis.

IT Report

Mr. Tangredi highlighted the report distributed with the agenda. He stated that the Codes I Pads are in use. He explained that data is not loaded onto the iPads used by Codes, instead the user connects to the City's internal system so if the iPad is misplaced or stolen the connection can be killed.

Ms. Reed inquired about the staffing in the IT Division. She inquired about the hiring process used to select the new webmaster. Mr. Tangredi suggested that Ms. Reed or the Committee inquire about the process with the Mayor.

Ms. Reed inquired if an advertisement was run for this opening. Mr. Tangredi stated that an ad was in the Reading Eagle on Sunday, March 11th. He stated that two (2) applications were received. He stated that the position was filled on Friday, March 16th. Ms. Kelleher inquired if the person hired was one (1) of the two (2) applicants. Mr. Tangredi stated that the person

hired did not respond to the ad in the Sunday Reading Eagle.

CSC Report

Ms. Weidel distributed a report showing activity in January and February. She stated the following:

	January	February
SRs Issued:	936	949
SRs Resolved:	414	576
Open SRs:	522	373

Ms. Goodman-Hinnershitz questioned the affect of RAWA moving off site and providing their own customer service. She inquired about future staffing levels of CSC. Ms. Weidel stated that she was unsure and suggested that the Committee contact the Mayor.

Mr. Acosta asked Ms. Kelleher to send a message to the Mayor's office requesting that he assign senior staff to attend the Council Committee meetings, the Committee of the Whole meetings, and the Work Session.

Ms. Reed inquired about the maximum time an SR remains open. Ms. Weidel stated that currently Codes has been trained to close out their own SRs which increases their accountability. She stated that other offices need to be trained on closing out SRs.

Update on Collection of Delinquent Taxes and Miscellaneous Fines and Fees (RE01)

Mr. Zale stated that the RFPs are back and are under review.

CD Report: Spent -vs- Unspent

Ms. Kelleher stated that this report is attached to the agenda.

Salary of the Managing Director

Mr. Acosta stated that as this discussion will include the qualifications of the person recommended for the position, an Executive Session on personnel matters will occur.

Council went into Executive Session at 7:13pm.

The Executive Session concluded at approximately 7:35pm.

The Committee's session immediately adjourned.

Respectfully submitted by Linda Kelleher, City Clerk

FOLLOW UP ISSUES

1. Resolution to authorize using \$5M to pay down the Unfunded Debt Loan
2. Estimate for new pavement on Court St train bridge
3. Recommendation for Collector for Delinquent BPL and other fee/tax collection
4. Waiting to receive Administration's recommendation re the QoL program